

STATE AND FEDERAL FUNDING OF HIGHWAY PROJECTS

In previous articles both State and Federal fuel tax collections were discussed. In many discussions about fuel taxes and highway funding the conversation turns to “Why do we send gas tax money to Washington instead of keeping it here and using it to fund Montana’s programs?” The total revenue from Montana fuel taxes is about 215 million dollars per year. The total Federal revenue from fuel taxes collected in Montana is 165 million dollars. The Federal government provides money to the States through the current highway funding bill. In each of the years 2014 and 2015 Montana’s allocation from the Federal government was approximately 428 million dollars per year. The following chart summarizes these numbers.

FUEL TAX COLLECTIONS

STATE COLLECTIONS	215
FEDERAL COLLECTIONS	165
TOTAL COLLECTIONS	380

HIGHWAY SPENDING

FEDERAL HIGHWAY FUNDING	428
STATE CONTRIBUTIONS	215
TOTAL HIGHWAY FUNDING	643

If Montana were to keep all the fuel tax collections originating in the state and there was no federal revenue sharing the following chart may be the consequence.

CURRENT HIGHWAY SPENDING	643
CURRENT IN STATE REVENUE COLLECTIONS	380
REDUCTION IN SPENDING ABILITY	263